

AMENDED IN ASSEMBLY JULY 3, 2007

AMENDED IN SENATE APRIL 30, 2007

AMENDED IN SENATE APRIL 10, 2007

## SENATE BILL

**No. 161**

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### **Introduced by Senator Margett**

January 30, 2007

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An act to amend ~~Section 1601~~ *Sections 1601 and 10765* of the Public Contract Code, relating to public contracts.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 161, as amended, Margett. Public works contracts: Internet submissions.

Existing public contract law authorizes public entities to adopt methods and procedures to receive bids on public works or other contracts over the Internet, as specified.

This bill would authorize public entities to receive supporting materials submitted pursuant to a public works contract over the Internet, as specified. This bill would require public entities that receive bids and supporting materials over the Internet to provide an electronic receipt to the contractor either by immediate transmission or by providing access to the contractor to an electronic file that contains the receipt, as specified.

*The California State University Contract Law requires that bids on contracts of the university be sealed and accompanied by one of several specified forms of bidder's security in an amount equal to 10% of the amount of the bid. That law prohibits a bid from being considered if the bid does not contain this security.*

*This bill would specify that bids made under the California State University Contract Law may be submitted electronically as under the other provisions of the bill, but only if the bidder submits the required bidder's security within 24 hours after the opening of bids.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1601 of the Public Contract Code is  
2 amended to read:

3 1601. (a) Any public entity may adopt methods and procedures  
4 to do any of the following:

5 (1) Receive bids on public works or other contracts over the  
6 Internet, but only if no bid can be opened before the bid deadline  
7 and all bids can be verified as authentic.

8 (2) Receive supporting materials submitted pursuant to a public  
9 works contract over the Internet. For purposes of this section,  
10 "supporting materials" includes, but is not limited to, payment  
11 requests, shop drawings, schedules, notices of claims, and certified  
12 payrolls.

13 (b) If a public entity allows or requires bids or supporting  
14 materials to be submitted over the Internet pursuant to this section,  
15 the public entity shall provide an electronic receipt to the contractor  
16 showing the date and time the submission was received. The public  
17 entity shall provide the electronic receipt to the contractor either  
18 by immediate transmission to the contractor or by providing the  
19 contractor access to an electronic file online that contains this  
20 information and that can be viewed and printed by the contractor.

21 SEC. 2. Section 10765 of the Public Contract Code is amended  
22 to read:

23 10765. (a) All bids shall be presented under sealed cover and  
24 accompanied by one of the following forms of bidder's security:  
25 cash, a cashier's check, certified check, or a bidder's bond executed  
26 by an admitted surety insurer, made payable to the trustees. The  
27 security shall be in an amount equal to at least 10 percent of the  
28 amount bid. A bid shall not be considered unless one of the forms  
29 of bidder's security is enclosed with it.

30 (b) A bid described in subdivision (a) may be submitted  
31 electronically in accordance with Section 1601, but only if the

- 1 *bidder submits the bidder's security required by subdivision (a)*
- 2 *within 24 hours after the opening of bids.*

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